

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7226**

**BILL NUMBER:** SB 265

**NOTE PREPARED:** Dec 29, 2004

**BILL AMENDED:**

**SUBJECT:** Transfer of Grant Funds by Political Subdivisions.

**FIRST AUTHOR:** Sen. Jackman

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill specifies that the fiscal officer of a political subdivision may transfer without appropriation any state or federal grant funds that are a reimbursement of an expenditure by the political subdivision, if the transfer is made from the political subdivision's general fund to the fund from which the expenditure was made.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Currently, political subdivisions must hold a public hearing and request approval from the state Department of Local Government Finance before making additional appropriations from their general funds. Just as fiscal officers may automatically transfer insurance money intended for repairing damaged property of the unit without holding a public hearing, this bill would allow a fiscal officer to automatically transfer state or federal grants received as reimbursements for expenses to the fund from which the expenses were made.

The fiscal impact of this bill will vary among political subdivisions as it is based on any time and expense saved by not holding a public hearing.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Political subdivisions.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.